

ZIONS BANK

LEGAL SERVICES DEPARTMENT

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File

m/049/009

Zions First National Bank
Legal Services Department
10 East South Temple, 5th Floor
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July 13, 2005

Mr. Mark Mesch
State of Utah
Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

JUL 18 2005

DIV. OF OIL, GAS & MINING

Re: *Chief Consolidated Mining Co.*

Dear Mr. Mesch:

As you are aware, the Division of Oil, Gas and Mining (the "Division") has an interest in the following Certificates of Deposit of Chief Consolidated Mining Co. ("CCM"): 1 (\$60,400.00), 1 (\$175,000.00), and 1 (\$175,000.00) (together, the "CDs"), which are being used as a surety to guarantee the availability of reclamation funds for mining sites operated by CCM.

Zions First National Bank ("Zions") mistakenly honored a levy against the CDs of CCM, pursuant to which the sum of \$1,660.03 was withdrawn from CD no. 1. Accordingly, the available balance in this CD has been reduced to \$58,739.97 from the original amount of \$60,400.00.

Rather than deposit the \$1,660.03 into the CD account, you have agreed to allow Zions to pay the Division directly if and when the Division elects to redeem the CD funds pursuant to the terms governing the accounts, as stated in the Division's letters to Zions dated March 1, 2001 and March 8, 2002. Zions agrees that it will pay the \$1,660.03 directly to the Division if the combined amounts in the CDs are insufficient to satisfy the reclamation amounts owed.

If and when it becomes necessary for the Division to claim the \$1,660.03, please present your request for payment, together with a copy of this letter, to Zions Bank's Payson Branch, 80 East 100 North, Payson, Utah 84651.

Thank you for your cooperation and consideration in this matter. I apologize for this mistake and hope that it has not inconvenienced you in any way.

Mr. Mark Mesch
Division of Oil, Gas & Mining
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Please do not hesitate to contact me with any comments or questions you may have.

Sincerely,



David M. McGrath
Legal Counsel

cc: Rex Wilkerson, Payson Branch Manager